

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

FREDDA LEVITT, a limited partner of Lipper  
Convertibles, L.P., on behalf of herself and all others  
similarly situated,

Plaintiff,

-against-

PRICEWATERHOUSECOOPERS LLP,

Defendant.

04 CIV. 5179 (RO)

**DECLARATION OF SHERENE D.  
HANNON IN OPPOSITION TO  
PLAINTIFF'S MOTION FOR CLASS  
CERTIFICATION AND IN SUPPORT  
OF DEFENDANT'S MOTION FOR  
PARTIAL SUMMARY JUDGMENT**

Sherene D. Hannon hereby declares under the penalty of perjury:

1. I am a member of the bar of this Court and I am associated with the law firm Orrick, Herrington & Sutcliffe LLP, attorneys for Defendant PricewaterhouseCoopers LLP ("PwC") in the above-captioned action.
2. I submit this Declaration in support of Defendant's opposition to Plaintiff's motion for class certification and in support of PwC's motion for partial summary judgment based on the statute of limitations.
3. I have reviewed documents submitted to the Supreme Court of the State of New York in In re Lipper Holdings, LLC, Index No. 02/603653.<sup>1</sup> Based on that review, I have determined that more than one-third of the limited partners of Lipper Convertibles were trusts, limited partnerships, limited liability corporations, pension funds, foundations or other entities.
4. Attached hereto as Exhibit A is a copy of Lipper Convertibles Private Offering

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<sup>1</sup> PwC is precluded, by operation of an order entered by Justice Karla Moskowitz of the Supreme Court of the State of New York, New York County dated December 29, 2003 in In re Lipper Holdings, LLC from disclosing the names of the individual limited partners in Lipper Convertibles.

Memorandum dated December 31, 1997.

5. Attached hereto as Exhibit B is a copy of a SEC Form 13F, submitted to the SEC on behalf of Kenneth Lipper, dated June 30, 2002.

6. Attached hereto as Exhibit C is a copy of the Lipco Partners, L.P. Amended and Restated Limited Partnership Agreement, dated July 1, 1993.

7. Attached hereto as Exhibit D is a copy of Plaintiff Fredda Levitt's Subscription Agreement in respect of her investment in Lipper Convertibles.

8. PwC issued audit reports in respect of Lipper Convertibles' annual financial statements for the years ended December 31, 1997 through December 31, 2000 on or about February 27, 1997, February 26, 1998, February 4, 1999, February 25, 2000 and February 26, 2001, respectively. Copies of the audit reports are attached hereto collectively as Exhibit E.

9. Attached hereto as Exhibit F is a copy of Marcia Vickers, *The Fallen Financier*, Business Week, December 9, 2002.

10. Attached hereto as Exhibit G is a copy of a letter from Kenneth Lipper to Limited Partners dated February 20, 2002.

11. Attached hereto as Exhibit H is a copy of Charles Gasparino and Gregory Zuckerman, *Sudden Impact: Kenneth Lipper Hedge Funds Slash Valuations*, Wall St. J., Feb. 22, 2002, at C1.

12. Attached hereto as Exhibit I is a copy of a letter from Kenneth Lipper to Limited Partners dated March 26, 2002.

13. Attached hereto as Exhibit J is a copy of the Verified Petition (without exhibits) in In re Lipper Holdings LLC, Index No. 603653/2002 dated October 3, 2002.

14. Attached hereto as Exhibit K is a copy of the transcript of the deposition of

Fredda Levitt, taken on April 1, 2005.

15. Attached hereto as Exhibit L is a copy of the transcript of the deposition of Dr. Richard Levitt, taken on April 1, 2005.

16. Attached hereto as Exhibit M is a copy of the transcript of the deposition of Arnie Herrmann, taken on May 4, 2005.

17. Attached hereto as Exhibit N is a copy of the Complaint in Morgado Family Partners, LP, et al. v. Lipper, et al., Index No. 02-604396, Supreme Court of the State of New York, New York County. Justice Moskowitz heard oral argument of the Morgado plaintiffs' motion for class certification on March 24, 2005. That motion is sub judice.

18. Attached hereto as Exhibit O is a copy of the Complaint in Williamson v. PricewaterhouseCoopers LLP, Index No. 04-602106, Supreme Court of the State of New York, New York County.

19. Attached hereto as Exhibit P is a copy of the Complaint in Lewin v. Lipper Convertibles, 03 Civ. 1117 (S.D.N.Y.)(RO).

20. Attached hereto as Exhibit Q is a copy of the Complaint in CILP, Assocs. v. Lipper Convertibles, L.P., 03 Civ. 2632 (S.D.N.Y.)(RO).

21. Attached hereto as Exhibit R is a copy of an Order of this Court dated May 12, 2004, granting in part and denying in part Defendant's motion to dismiss in CILP, Assocs. v. Lipper Convertibles, L.P., 03 Civ. 2632 (S.D.N.Y.)(RO).

22. Attached hereto as Exhibit S is a copy of the Complaint in West v. Lipper, 9:03-0030 (D.S.C.).

23. Attached hereto as Exhibit T is a copy of the Complaint in Freeman, et al. v. Lipper, et al., 03L 002025.

24. Attached hereto as Exhibit U is a copy of an excerpt from the transcript of the deposition of Matthew Serino, taken January 31, 2005 in the Morgado action.

25. Attached hereto as Exhibit V is a copy of the Complaint in Continental Casualty v. PwC, Index. No. 03/120016.

26. Attached hereto as Exhibit W is a copy of the Complaint in Eagle Partners v. PwC, Index. No. 03/121132.

27. Attached hereto as Exhibit X is a copy of the Complaint in Jones v. PwC, Index No. 03/602962.

28. Attached hereto as Exhibit Y is a copy of a letter from Mark A. Strauss (counsel for plaintiffs in Morgado) to Justice Karla Moskowitz of the Supreme Court of the State of New York, New York County dated April 14, 2005.

29. Attached hereto as Exhibit Z is a copy of Plaintiffs' Supplemental Memorandum of Law in Opposition to Defendant's Motion to Dismiss in Jones v. PwC, Index No. 03/602962.

30. A copy of the Subpoena Duces Tecum served in this case upon Mr. Arnie Herrmann, investment advisor to the Levitts, requesting, among other things, "all annual reports regarding Lipper Convertibles, including but not limited to reports concerning the income, financial condition and performance of Lipper Convertibles," is attached hereto as Exhibit AA. Mr. Herrmann did not produce any audited financial statements in response to the subpoena.

31. Attached as Exhibit BB is a copy of an Order in In re Lipper Holdings, LLC dated April 9, 2003 whereby the court adopted the revaluation results reported by BDO Seidman, with certain modifications.

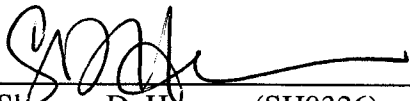
32. Attached as Exhibit CC is a copy of a letter tolling agreement signed by J. Peter Coll, Jr. on behalf of PwC and Herbert E. Milstein on behalf of Fredda Levitt dated February 20,

2004.

33. Attached as Exhibit DD is a retainer agreement between Hanzman & Criden, P.A. and Fredda Levitt dated April 19, 2002.

34. Attached hereto as Exhibit EE is a copy of the Reply Memorandum in the Morgado action dated February 7, 2005.

Dated: New York, New York  
May 13, 2005

By:   
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Sherene D. Hannon (SH0326)

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